

COMMONWEALTH OF KENTUCKY  
BEFORE THE UTILITY REGULATORY COMMISSION

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In the Matter of:

NOTICE OF ECHO TELEPHONE COMPANY                    )  
OF A GENERAL ADJUSTMENT IN ITS RATES        ) CASE NO. 7902

O R D E R

IT IS ORDERED that Echo Telephone Company shall file with  
the Commission by October 13, 1980, the following information:  
Staff Request No. 1

1. A trial balance as of the last day of the test year, all income statement accounts should show activity for 12 month showing account number, account title, and amount. Clearly identify accounts maintained on a total company basis and accounts maintained on a jurisdictional basis (indicate jurisdiction). Show the balance in each control and all underlying subaccounts per company books.
2. A. A calculation of total company average (thirteen month) and end-of-period debt, preferred stock, and common equity capital for the test year in the format as shown in Format 2a attached.  
B. A calculation of the average (thirteen month) and end-of-period long-term debt composite interest for the twelve months of the test year. Supporting details underlying calculations should be provided. The average long-term debt composite interest cost is calculated by dividing the sum of the book interest accrued on long-term debt and related amortization of discount, premium, and issuance cost by average long-term debt as calculated in Format 2a, column c, line 15.
3. List each general office account (asset, reserve, and expense accounts) covering the twelve months of the test year. Show the amount allocated to each jurisdiction and a calculation of the factor used to allocate each amount.

4. The following monthly balances and a calculation of the thirteen month average data for the test year operations of the total company and intrastate:
  - A. Plant in service
  - B. Plant purchased or sold
  - C. Property held for future use
  - D. Construction in progress--separate this balance into CWIP that Interest During Construction is calculated on and other CWIP.
  - E. Depreciation reserve
  - F. Material and supplies
  - G. Balance in accounts payable (applicable to material and supplies)\*
  - H. Unamortized investment credit-Pre-Revenue Act of 1971
  - I. Unamortized investment credit-Revenue Act of 1971
  - J. Accumulated deferred income taxes
  - K. Balance in accounts payable applicable to amounts included in plant in service\*
  - L. Balance in accounts payable applicable to amounts included in plant under constuction\*
  - M. Short term borrowings
  - N. Interest on short term borrowings (expense)
5. Provide the following information for each item of telephone property held for future use at the end of the test year:
  - A. Description of property
  - B. Location
  - C. Date purchased
  - D. Cost
  - E. Estimated date to be placed in service
  - F. Brief description of intended use

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\*if actual is unavailable, give a reasonable estimate

6. Schedules in comparative form showing by months for the test year and the year preceding the test year the balance in each telephone plant and reserve account or subaccount included in the applicant's chart of accounts as shown in Format 6 attached.
7. The detailed work papers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment, and reserve accounts for the test year and a complete detailed narrative explanation of each adjustment including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.
8. A schedule showing a comparison by month of the combined and intrastate revenue accounts for the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase or rate change went into effect and the first month the full increase was recorded in the accounts. See Format 6.
9.
  - A. A schedule showing a comparison of the balance in the combined operating expense accounts for each month's activity for the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 6.
  - B. A schedule in comparative form showing the operating expense account balances for the test year and each of the five years preceding the test year for each account included in the applicant's annual report (FCC Form M, Schedule 35). Show the percentage of increase of each year over the prior year.

- C. A schedule of total company salaries and wages for the test year and each of the five calendar years preceding the test year as shown in Format 9c attached.
10. The following tax data for the test year for total company and intrastate operations.
- A. Income taxes:
- (1) Federal operating income taxes deferred - accelerated tax depreciation
  - (2) Federal operating income taxes deferred - other (explain)
  - (3) Federal income taxes - operating
  - (4) Income credits resulting from prior deferrals of Federal income taxes
  - (5) Investment tax credit net
    - (i) Investment credit realized
    - (ii) Investment credit amortized - Pre-Revenue Act of 1971
    - (iii) Investment credit amortized - Revenue Act of 1971
  - (6) Provide the information in 11a(1) through 11a(4) for state income taxes
  - (7) A calculation of the book Federal and state income tax expense for the test year using book taxable income as the starting point
  - (8) A copy of Federal and state income tax returns for the taxable year ended during the test year including supporting schedules (three copies required).
  - (9) The quarterly gross receipts tax returns for each quarter during the test year.
- B. An analysis of Kentucky other operating taxes as shown in Format 10b attached, for combined and intrastate operation.

11. A schedule of Kentucky combined net operating income per average primary phone (see Format 12, Schedule 2) per company books for the test year and the five years preceding the test year. This data should be provided in the format as shown in Format 11 attached.
12. The comparative operating statistics as shown in Format 12 attached.
13. A schedule of total company average telephone plant in service per average primary phone by account per company books for the test year and the five calendar years preceding the test year. This data should be provided in the format as shown in Format 13 attached.
14. A statement of telephone plant in service per company books for the test year. This data should be presented in the format as shown in Format 14 attached.
15. A. Provide a detailed analysis of all intrastate charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of account 642 - Advertising as shown in Format 15a attached, and further should show any other advertising expenditures included in any other expense subaccounts. The analysis should moreover, be specific as to the purpose of the expenditure and the expected benefit to be derived. Expenses allocated from the parent company should be so identified.  
B. Provide an analysis of Account 675 - Other Expenses for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 15b and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.

- C. A detailed analysis of all charitable and political contributions expenses charged to intrastate operations during the test period. This analysis should indicate the amount of the expenditure, the recipient of the donation and the specific amount charged. Expenses allocated from the parent should be so identified.
  - D. Provide an analysis of Account 323 - Miscellaneous Income Charges for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 15d, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, dollar amount and a brief description of each expenditure for amounts of \$500 or more.
- 16. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.
  - 17. Rates of return as shown in Format 17 attached.
  - 18. Employee data as shown in Format 18 attached.
  - 19. Provide a detailed analysis of the retained earnings account for the test period and twelve month period immediately preceding the test period.
  - 20. Provide the following information with regard to uncollectible accounts for the test year and the five preceding calendar years (taxable year acceptable)
    - A. Reserve account balance at the beginning of the year.
    - B. Charges to reserve account (accounts charged off).
    - C. Credits to reserve account.
    - D. Current year provision.
    - E. Reserve account balance at the end of the year.
    - F. Percent of provision of total revenue.

21. The dollar amount of employee concession telephone service for the twelve (12) months of the test year as shown in Format 21 attached.
22. Additional data relating to affiliated or parent company(s).
  - A. Consolidated parent and subsidiaries balance sheet, income statement, and statement of changes in financial position for test year and last two calendar years.
  - B. Schedule showing balance sheet, income statement, and retained earnings adjusting entries for Kentucky subsidiary in its consolidation with the parent company and affiliated companies.
  - C. Schedule of company's home office and/or intercompany charges; monthly for the test year. State the type of goods or services provided (i.e., supplies capitalized, data service, directory sales, management services, etc.). The amount by type from each billing unit and the method used in billing (i.e., direct, allocated) and basis for allocating common charges.
  - D. Provide a calculation of the average (thirteen month) and the end-of-period debt and equity ratio and average (thirteen month) and end-of-period composite interest cost and preferred stock cost for the twelve months of the test period for the parent company and for the consolidated companies including all subsidiaries.
  - E. Schedule of Federal income tax reductions due to filing a consolidated parent tax return for last two taxable years. Show source and type of reduction, and method and basis of allocating to companies and states.
  - F. A schedule of sales by affiliated Manufacturing and/or Supply Companies separated into Manufacturing Operating and Supply Operations with a further separation into sales to affiliated System Telephone Companies, Non-affiliated Telephone Companies, all other Sales and total for the calendar year for all years of common affiliation.

- G. A schedule showing for each year used in 22f for affiliated Manufacturing and/or Supply Companies the weighted average capitalization ratios, effective debt interest rates and effective preferred stock dividend rates. This schedule should show the actual amounts of the various capital components as well as the ratios.
  - H. Net Income as a percent of Sales, Return on Average Investment, and Return on Average Common Equity for sales to affiliated telephone companies and on sales to nonaffiliated telephone companies separately for manufactured products and separately for items purchased for resale for the calendar years used in 22f. Also provide details for the rate of return calculations.
  - I. On sales to the Kentucky operating telephone company used in 22f, separate purchases from the manufacturing operation into amounts capitalized and amounts expensed and from the supply operation into amounts capitalized and amounts expensed.
  - J. A schedule showing the dollar amount of gross additions by major plant accounts and the percent and dollar amounts surviving at end of test year, for each of the years used in 22f. A second part of this schedule should show the dollar and percent of equivalent amounts of depreciation reserve at the end of the test year, applicable to the surviving capitalized purchases.
23. A calculation of the rate or rates used to capitalize interest during construction for the test year and the three preceding calendar years. Provide a narrative explanation of each component entering into the calculation of this rate.
24. A. Explanation, with copies of appropriate supporting material, of the separation procedures used to arrive at the test period Kentucky intrastate portions of revenues, investment, expenses, taxes, reserves and any other items



applicable to the case. Include discussions on cost studies which were used and periods for which studies were made. (Provide summary sheets from appropriate studies).

- B. A listing in comparative form of the following factors used in the cost separations studies for the last four calendar years preceding the test period and for the test period year (provide interstate toll, intrastate toll and intrastate local factors where applicable):
- (1) Subscriber line usage factors
  - (2) Subscriber plant factors
  - (3) Composite station ratios
  - (4) Conversation-minute-miles factors
  - (5) Dial equipment minutes-of-us factors (composite for all offices)
  - (6) Traffic unit factors (composite for all toll centers)
  - (7) Holding time minutes-of-use

Give the dates of the traffic studies from which the test period factors were obtained. Include a statement as to whether these factors are final or will be revised should subsequent studies prior to the hearing date show changes in them.

- C. A breakdown by dollar amounts of the Kentucky intrastate toll revenues for the test period into their major class of toll service-message toll including WATS, private line, foreign exchange, and any other items contributing to the intrastate toll revenues.
25. A. Explanation of the settlement contract or method used with South Central Bell and any other telephone companies to arrive at Applicant's intrastate and interstate test period toll revenues. (Furnish copies of Traffic Agreement presently in use for settlement purposes).
- B. Explanations of projected growth in intrastate and interstate toll revenues in terms of projected growth in billed revenues and appropriate toll messages necessary for computing toll settlements.

- C. Explanations of the method(s) used to divide total toll revenues (whether received through settlements or otherwise) into the intrastate and interstate portions. Further, show these portions broken down into message toll, WATS, private line, foreign exchange and any other items contributing to these portions.
26. A. Written explanation of all pro-forma adjustments made to normalize the test period intrastate toll revenues such as those caused by settlement contract changes and separation procedure changes that may effect such items as the intrastate toll rate of return used in computing toll settlements for actual cost and Division of Revenues companies.
- B. Any other information the Applicant deems necessary to explain the debits and credits to its toll revenues in order to normalize its intrastate toll revenues for the test period.
27. A. Capital structure at end of each calendar year for the previous ten (10) years.
- B. Capital structure at end of latest available quarter.
- C. Capital structure at end of historical test period.
- These items should include the following information:
- (i) class of capital
  - (ii) amount of each class (\$)
  - (iii) ratio of each class to total capitalization
  - (iv) total capitalization (\$)
- These items should be furnished for the parent, the subsidiary and for the system consolidated.
28. A. List all outstanding issues of long-term debt as of the end of the latest calendar year and at the end of the test period.
- This should include the following information for each outstanding issue:

- |                         |   |
|-------------------------|---|
| 1. date of issue        | 5. cost rate at issue                                     |
| 2. date of maturity     | 6. cost rate to maturity                                  |
| 3. amount outstanding   | 7. bond rating at issue -<br>(Moody's, Standard & Poor's) |
| 4. coupon interest rate | 8. type of obligation                                     |

B. Provide calculations of embedded cost of long-term debt at the end of each calendar year for the previous ten (10) years. Also provide this calculation for end of the test period.

Items 28 A & B should be provided for the parent and for the subsidiary where applicable and not included in the record to date.

29. A. List all outstanding issues of preferred stock as of end of the latest available calendar year and quarter and at end of the historical test period.  
This should include the following information for each outstanding issue:

- |                     |  |
|---------------------|--|
| 1. issue date       | 4. cost rate at issue                  |
| 2. amount sold (\$) | 5. amount outstanding                  |
| 3. dividend rate    | 6. note any convertibility<br>features |

B. Provide calculations of embedded cost of preferred stock at the end of each of the previous ten (10) years.  
Also provide this calculation for the most recent quarter available and for the historical test period.  
Items 29 A & B should be provided for the parent company.

30. A. Provide a listing of all issues of common stock in the primary market during the most recent ten (10) year period.

Include the following information:

- |   |   |
|---|---|
| 1. Date of issue                          | 5. net proceeds to company                        |
| 2. number of shares                       | 6. book value per share at<br>time of issue       |
| 3. date of announcement<br>& registration | 7. selling expenses as % of<br>gross issue amount |
| 4. price per share (net<br>to company)    | 8. price per share to public                      |

B. Provide the following information on a quarterly and yearly basis for the most recent ten (10) year period available. Also provide this through the latest available quarter.

1. average number of shares of common outstanding
2. book value per share at end of period
3. period earnings per share
4. period declared dividend rate per share
5. rate of return on average common equity
6. rate of return on year end common equity

Items 30 B, 5 & 6 refer to yearly figures only.

C. Provide monthly market price information for common stock for each month during the most recent ten (10) year period.

Include the following:

1. monthly high
2. monthly low
3. monthly closing price
4. note all stock splits by date and type and adjust prices accordingly

Items 30 A, B & C refer to the parent company.

31. Provide figures showing computation of fixed charge coverage ratios (SEC method, pretax, including short term debt payments) at the end of each of the ten (10) most recent prior years.
32. The detailed cost study and any additional information that supports the summaries of cost information relating to the rates for private line services and equipment.

Done at Frankfort, Kentucky, this 22nd day of September, 1980.

UTILITY REGULATORY COMMISSION

  
Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner

ATTEST:

\_\_\_\_\_  
Secretary

Case No. 7902

CALCULATION OF AVERAGE AND END-OF-PERIOD CAPITAL

12 Months Ended March 31, 1980

Line No.	Item (a)	Total Capital <sup>1/</sup> (b)	Long-Term Debt (c)	Preferred Stock <sup>2/</sup> (d)	Common Stock <sup>2/</sup> (e)	Other Capital (f)	Retained Earnings (g)	Total Common Equity (h)
1.	Balance beginning of test year.							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month-							
14.	Total (L1 through L13)							
15.	Average balance (L14 + L13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

<sup>1/</sup> If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.

<sup>2/</sup> Include premium on class of stock.

COMPARISON OF TEST YEAR ACCOUNT BALANCES WITH THOSE OF THE PRECEDING YEAR

Account Title and Account Number	1st Month	2nd Month	3rd Month	4th Month	5th Month	6th Month	7th Month	8th Month	9th Month	10th Month	11th Month	12th Month	Total
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Echo Telephone Company  
Commonwealth of Kentucky

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ANALYSIS OF SALARIES AND WAGES CHARGED TO EXPENSE  
TEST YEAR ENDING March 31, 1980

Line No.	Item (a)	12 Months Ended					Test Year (g)
		Calendar Years Prior to Test Year					
		<u>5th</u> (b)	<u>4th</u> (c)	<u>3rd</u> (d)	<u>2nd</u> (e)	<u>1st</u> (f)	
1	Maintenance	\$	\$	\$	\$	\$	\$
2	Traffic						
3	Commercial						
4	Revenue Accounting						
5	General Office and Administrative Salaries:						
6	(a) Executive Department						
7	(b) Accounting Department <sup>A/</sup>						
8	(c) Treasury Department						
9	(d) Law Department						
10	(e) Other General Office Salaries						
11	(f) General Office and Administrative Salaries allocated to Kentucky						
12	Total General Office Administrative Salaries (Line 6 thru 11)						
13	Total Salaries and Wages Charged Expense (Lines 1 thru 4 + Line 12)						
14	Construction						
15	Total Salaries and Wages	\$	\$	\$	\$	\$	\$

<sup>A/</sup> Excluding Revenue Accounting Salaries and Wages

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ANALYSIS OF OTHER OPERATING TAXES  
FOR THE 12 MONTHS ENDED March 31, 1980

	Charged Expense	Charged to Construction	Charged to 1/ Other Accounts-	Amount Accrued	Amount Paid
Other Operating Taxes					
Kentucky	\$ .	\$	\$	\$	\$
State Income					
Gross Receipts*					
Ad Valorem					
Payroll (Employer's Portion)					
Other Taxes					
Total Kentucky					
Other States					
Total per Books	\$	\$	\$	\$	\$

\*Actual payments for test year should be shown under the amount paid column.  
1/ Explain items in this column.





# **CORRECTION**



***PRECEDING IMAGE HAS BEEN  
REFILMED  
TO ASSURE LEGIBILITY OR TO  
CORRECT A POSSIBLE ERROR***

KENTUCKY COMBINED  
NET OPERATING INCOME PER AVERAGE PRIMARY PHONE  
TEST YEAR ENDING March 31, 1980

Line No.	Item (a)	12 Months Ended					Test Year (g)
		5th Calendar Year Prior to Test Year (Ab)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	Operating Revenues						
2.	Local service revenues						
3.	Toll service revenues						
4.	Miscellaneous revenues						
5.	Uncollectibles - debit						
6.	Total operating revenues						
7.	Operation and Maintenance Expenses						
8.	Maintenance expenses						
9.	Depreciation and amortization						
10.	Traffic expenses						
11.	Commercial expenses						
12.	General office salaries and expenses						
13.	Other operating expenses						
14.	Total operation and maintenance expenses						
15.	Net operating revenue						
16.	Operating Taxes						
17.	Federal income taxes						
18.	State income taxes						
19.	Other operating taxes						
20.	Total operating taxes						
21.	Net operating income						
22.	Total average primary phone (13-month average)						

Echo Telephone Company  
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NUMBER OF EMPLOYEES  
TEST YEAR ENDING March 31, 1980

<u>Period</u>	<u>Total</u> (a)	<u>Maintenance</u> (b)	<u>Traffic</u> (c)	<u>Commercial</u> (d)	<u>General Office</u> (e)
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average For Calendar Years Prior to Test Year					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Year					

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STATION DATA  
TEST YEAR ENDING March 31, 1980

<u>Period</u>	<u>Main</u> (a)	<u>Centrex</u> <u>Trunks</u> (b)	<u>PBX</u> <u>Trunks</u> (c)	<u>Other</u> <u>Equiv-</u> <u>alents</u> (d)	<u>Total</u> <u>Primary</u> <u>Phones</u> (e)
Month prior to Test Year					
1st Month of Test Year					
2nd Month					
3rd Month					
4th Month					
5th Month					
6th Month					
7th Month					
8th Month					
9th Month					
10th Month					
11th Month					
12th Month					
A 13-Month Average For Calendar Years Prior to Test Year					
5th Year					
4th Year					
3rd Year					
2nd Year					
1st Year					
Test Year					

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GENERAL STATISTICAL DATA  
TEST YEAR ENDING March 31, 1980

<u>Period</u>	<u>Numer of Employees Per Primary Phone (a)</u>	<u>No. of Station Connections Per Installer- Repairman (b)</u>
12 Months Ended March 31, 1980		
Calendar Years Before Test Year		
5th Year		
4th Year		
3rd Year		
2nd Year		
1st Year		
Test Year		

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GENERAL STATISTICAL DATA  
TEST YEAR ENDING March 31, 1980

Average  
Net Plant  
In Service  
(a)

Increase  
Over  
Prior Year  
(b)

Construction  
Budget  
Amount  
(c)

Increase  
Over  
Prior Year  
(d)

COMBINED

Calendar Years Before  
Test Year

5th Year

4th Year

3rd Year

2nd Year

1st Year

Test Year

INTRASTATE

Calendar Years Before  
Test Year

5th Year

4th Year

3rd Year

2nd Year

1st Year

Test Year

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COMPARATIVE OPERATING STATISTICS  
TEST YEAR ENDING March 31, 1980

Line No.	Item (a)	5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	Test Year (g)	Net Change Since 5th Prior Year + Increase - Decrease (h)
1.	Maintenance as a Percentage of:							
2.	Gross operating revenues (include uncollectibles)							
3.	Total operating expenses (excluding depreciation)							
4.	Gross plant in service (end-of-period)							
5.	Maintenance Per:							
6.	Average total stations							
7.	Average primary phones							
8.	Materials and Supplies							
9.	Materials and supplies as a percentage of gross plant in service, both on an end-of-period basis							
10.	Average materials and supplies per average primary phones							
11.	Wages and Salaries as a Percentage of:							
12.	Gross operating revenues							
13.	Total operating expenses excluding depreciation							
14.	Depreciation Expense:							
15.	Per \$100 of average gross plant in service							
16.	Property Taxes:							
17.	Per \$100 of average gross plant in service							
18.	Interest Expense:							
19.	Per \$100 of average debt outstanding							
20.	Per \$100 of average plant investment							



KENTUCKY COMBINED OPERATIONS  
TELEPHONE PLANT IN SERVICE BY CLASS AT YEAR END PER AVERAGE PRIMARY PHONES  
TEST YEAR ENDING March 31, 1980

Account Number	Account <u>(a)</u>	12 Months Ended					Test Year <u>(g)</u>
		Calendar Years Prior to Test Year					
		5th <u>(b)</u>	4th <u>(c)</u>	3rd <u>(d)</u>	2nd <u>(e)</u>	1st <u>(f)</u>	
201	Organization						
202	Franchises						
203	Patent rights						
211	Land						
212	Buildings						
221	Central office equipment						
231	Station apparatus						
232	Station connections						
234	Large private branch exchanges						
241	Pole lines						
242.1	Aerial cable						
242.2	Underground cable						
242.3	Buried cable						
242.4	Submarine cable						
243	Aerial cable						
244	Underground conduit						
261	Furniture and office equipment						
264	Vehicles and other work equipment						
100.1	Total telephone plant in service						
	Total average primary phone (13 month average)						

Echb Telephone Company

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KENTUCKY COMBINED OPERATIONS  
STATEMENT OF TELEPHONE PLANT IN SERVICE  
TEST YEAR ENDING March 31, 1980

Account Number	Account (a)	Balance Beginning of Year (b)	Additions (c)	Retirements (d)	Balance End of Year (e)	Intrastate Percent (f)	Intrastate Portion (g)
Telephone Plant in Service:							
201	Organization						
202	Franchises						
203	Patent rights						
211	Land						
212	Buildings						
221	Central office equipment						
231	Station apparatus						
232	Station connections						
234	Large private branch exchanges						
241	Pole lines						
242.1	Aerial Cable						
242.2	Underground cable						
242.3	Buried cable						
242.4	Submarine cable						
243	Aerial wire						
244	Underground conduit						
261	Furniture and office equipment						
264	Vehicles and other work equipment						
100.1	Total telephone plant in service						

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KENTUCKY COMBINED OPERATIONS  
ACCOUNT 642 - ADVERTISING  
FOR THE TEST YEAR ENDING March 31, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Sales</u> <u>Advertising</u> <u>(b)</u>	<u>Institutional</u> <u>Advertising</u> <u>(c)</u>	<u>Rate</u> <u>Case</u> <u>(d)</u>	<u>Total</u> <u>(e)</u>
1.	Newspapers and periodicals				
2.	Booklets and pamphlets				
3.	Bill inserts				
4.	Displays, exhibits, posters, and placards				
5.	Motion pictures				
6.	Radio				
7.	Television				
8.	Salaries and wages				
9.	Other advertising				
10.	Other expenses				
11.	Total				

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KENTUCKY COMBINED OPERATIONS  
SUMMARY OF ACCOUNT NO. 675 - OTHER EXPENSES  
FOR THE TEST YEAR ENDING March 31, 1980

<u>Line</u> <u>No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)
1.	Valuations, inventories, and appraisals	
2.	Business Information System (BIS) expense	
3.	Purchase of employees service emblems	
4.	Membership fees and dues	
5.	Directors' fees and expenses	
6.	Printing Annual Report	
7.	FCC Filing and Grant Fees	
8.	Company apportioned amounts for various items	
9.	Other items (itemize)	
10.	-	
11.	-	
12.	Total	

Echo Telephone Company

Case Number 7902

KENTUCKY COMBINED OPERATIONS  
ACCOUNT NO. 323 - MISCELLANEOUS INCOME CHARGES  
INCLUDED IN OPERATING EXPENSES  
FOR THE TEST YEAR ENDING March 31, 1980

<u>Line</u> <u>No.</u>	<u>Item</u> <u>(a)</u>	<u>Amount</u> <u>(b)</u>
1.	Contributions (a)	
2.	Membership fees and dues (a)	
3.	Abandoned construction projects	
4.	Other (itemize)	
5.	Total	

(a) Detail attached

Echo Telephone Company  
Commonwealth of Kentucky

Case No. 7902

AVERAGE RATES OF RETURN

12 Months Ended March 31, 1980

<u>Line No.</u>	<u>Calendar Years Prior to Test Year</u> (a)	<u>Kentucky Operations</u>	
		<u>Combined</u> (b)	<u>Intrastate</u> (c)
1.	Original Cost Net Investment:		
2.	5th Year		
3.	4th Year		
4.	3rd Year		
5.	2nd Year		
6.	1st Year		
7.	Test Year		
8.	Original Cost Common Equity: (Excluding J.D.I.C.)		
9.	5th Year		
10.	4th Year		
11.	3rd Year		
12.	2nd Year		
13.	1st Year		
14.	Test Year		

NOTE: Provide work papers in support of the above calculations.

Case No. 7902

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES  
PER EMPLOYEE

Calendar Years Prior to Test Year	Officials & Managerial Assistants		Professional Semi- Professional		Business Office and Sales		Sales		Telephone Operators		Construction & Maintenance Installation		All Other		Total	
	No. (B)	Hrs. Wages (C) (D)	No. (E)	Hrs. Wages (F) (G)	No. (H)	Hrs. Wages (I) (J)	No. (K)	Hrs. Wages (L) (M)	No. (N)	Hrs. Wages (O) (P)	No. (Q)	Hrs. Wages (R) (S)	No. (T)	Hrs. Wages (U) (V)	No. (W)	Hrs. Wages (X) (Y)
1st Year																
% Change																
2nd Year																
% Change																
3rd Year																
% Change																
Test Year																
% Change																

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.  
(2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."  
(3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

Echo Telephone Company  
COMMONWEALTH OF KENTUCKY

Case No. 7902

EMPLOYEE CONCESSION TELEPHONE SERVICE  
TEST YEAR ENDING March 31, 1980

	No. of People	Local		Toll	
		Main Stations	Other Services	Intrastate	Interstate
Kentucky Revenue Loss					
General Office Personnel (By percentage allowance)		\$	\$	\$	\$
Kentucky Operations (By percentage allowance)					
Affiliated Company Employees (By percentage allowance)					
Allowance Provided Employees Served by Other Telephone Companies					
Retired and Disabled Employees (By percentage allowance)					
Other					